

Managing State Cost Share Requirements at Fund-lead National Priorities Listed Sites

Before the Environmental Protection Agency (EPA) can undertake Remedial Action (cleanup) using Superfund-monies at National Priority Listed (NPL) sites, the state must provide certain assurances, including the assurance of state payment of 10% of the Fund-financed cost of the Remedial Action and 100% of post-cleanup operation and maintenance. These assurances are captured in a Superfund state contract (SSC) or in a Cooperative Agreement (CA) if the state takes on the lead agency role (see 40 CFR 300.510 - State assurances).

The Utah Department of Environmental Quality (DEQ) manages the required state cost share by developing and negotiating a cost share payment schedule as part of the SSC and/or CA. Cost share funds come from the Hazardous Substances Mitigation Fund (HSMA Fund) established by the Hazardous Substances Mitigation Act. The DEQ has successfully negotiated extended payment schedules beyond the completion of remedial action (up to ten years) so as to manage the balance of the HSMA Fund over time with different Remedial Action starts and completions. Cost share funding in the HSMA Fund comes from legislative appropriations, Attorney General settlements, and transfers (by legislative appropriation) from the Environmental Quality Restricted Account (up to \$400,000 per year if available and as requested and approved).

2018's House Bill 373 "Waste Management Amendments" phased funding from the EQRA to the HSMA Fund over four years, allowing for \$200,000 to be transferred each year until June 30, 2022. Projections of the required state cost share and anticipated expenditures for site operation and maintenance are refined as information on costs become more certain.

Current sites at which there is a required 10% State Cost Share for Remedial Action and accompanying Operation and Maintenance responsibility, post-remediation.

<u>Site Name</u>	<u>Location</u>	<u>Nature of Contamination</u>
*Intermountain Waste Oil	Bountiful	Waste oil sludges
*Eureka Mills	Eureka	Mine wastes, lead and arsenic
Bountiful/Woods Cross PCE Plume	Bountiful	Chlorinated solvents in GW
Jacobs Smelter	Stockton	Mine wastes, lead and arsenic
Five Points PCE Plume	Woods Cross/Bountiful	Chlorinated solvents in GW
* ¹ Davenport/Flagstaff Smelters	Sandy	Mine wastes, lead and arsenic

*indicates site cleanup is completed and site has been delisted from the National Priorities List

¹indicates the cost share obligation has been met and there is no ongoing operation and maintenance expenditures

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HAZARDOUS SUBSTANCES MITIGATION FUND - FY 2019

Project	Contracted (*) and Estimated Liability	Expenditures to Date	Remaining Projected Remedial Action Expenditures	Projected State Operation & Maintenance Costs to FY2029
Eureka Mills {4944} *	\$8,000,000	\$7,211,469	\$788,531	\$0
Bountiful /Woods Cross OU2 {4947} *	\$4,185,034	\$645,484	\$3,539,551	\$1,949,000
			\$0	
Flagstaff/Davenport {4946} ♦			\$0	\$0
♦ (Project completed 9/30/2015)			\$0	
5 Points PCE Plume	\$3,280,132	\$0	\$3,280,132	\$212,094
Jacobs Smelter OU2	\$889,900	\$0	\$889,900	\$30,000
Bountiful/Woods Cross OU1 {4971} ✕	\$625,077	\$174,643	\$450,434	\$75,000
(Contract adjustment in process)				
Intermountain Waste Oil {4945} ✕	\$98,037	\$61,930	\$36,107	\$0
(Contract adjustment in process)				
TOTALS	\$17,078,180	\$8,093,526	\$8,984,654	\$2,266,094
Account balances as of 9/30/2018 Per. 3				
General Investment Account	\$1,284,002			
AG Settlements	\$1,549,396			
Portland Cement Rebate	\$848,568			
Bountiful/Woods Cross Settlement	\$0			
Cash Balance	\$50,383			
Interest @ 2.56231%	\$11,518			
TOTALS	\$3,743,867			
net change				
Fund Balance	\$3,743,867			

HAZARDOUS SUBSTANCES MITIGATION FUND - FY 2019													
Project	Contracted (\$) and Estimated Liability	Expenditures to Date	Annual Projected Expenditures										
			FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Eureka Mills {4944}	\$8,000,000	\$7,211,469	\$394,266	\$394,266									
Bountiful /Woods Cross OU2 {4947}	\$4,185,034	\$645,484	\$150,755	\$150,755	\$150,755	\$567,755	\$543,755	\$505,755	\$550,755	\$285,755	\$267,755	\$282,755	\$83,000
Flagstaff/Davenport {4946}													
•(Project completed 9/30/2015)													
5 Points PCE Plume	\$3,280,132	\$0	\$85,965	\$85,965	\$23,566	\$23,566	\$23,566	\$23,566	\$23,566	\$23,566	\$23,566	\$23,566	\$23,566
Jacobs Smelter OU2	\$889,900	\$0	\$300,000	\$500,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$4,900	\$10,000	\$10,000	\$10,000
Bountiful/Woods Cross OU1 {4971}	\$625,077	\$174,643	\$26,708	\$26,708	\$26,708	\$26,708	\$26,708	\$26,708	\$26,708	\$26,708	\$26,708	\$25,605	\$75,000
		\$0											
Intermountain Waste Oil {4945}	\$98,037	\$61,930	\$36,107	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Contract adjustment in process)													
TOTALS	\$17,078,180	\$8,093,526	\$993,801	\$1,157,694	\$218,029	\$635,029	\$611,029	\$573,029	\$618,029	\$340,929	\$328,029	\$341,926	\$191,566
9/30/2018 Per. 3			Approved and Estimated Income										
General Investment Account	\$1,284,002												
AG Settlements	\$1,549,396												
Portland Cement Rebate	\$848,568												
Bountiful/Woods Cross Settlement	\$0												
Cash Balance	\$50,383	Appr. EQRA	\$450,000	\$200,000	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest @ 2.56231	\$11,518		\$13,814	\$10,328	\$10,290	\$8,156	\$6,132	\$3,285	\$197	\$0	\$0	\$0	\$0
TOTALS	\$3,743,867		\$463,814	\$210,328	\$210,290	\$208,156	\$6,132	\$3,285	\$197	\$0	\$0	\$0	\$0
net change			(\$529,987)	(\$947,366)	(\$7,739)	(\$426,873)	(\$604,897)	(\$569,744)	(\$617,832)	(\$340,929)	(\$328,029)	(\$341,926)	(\$191,566)
Fund Balance	\$3,743,867		\$3,213,880	\$2,266,514	\$2,258,775	\$1,831,902	\$1,227,005	\$657,261	\$39,429	(\$301,500)	(\$629,529)	(\$971,455)	(\$1,163,021)